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INTERSTATE COMMERCE COMMISSION
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EQUIPMENT MORTGAGE

Dated as of December 1, 1974

between

NORTH AMERICAN CAR CORPORATION
and
NORTH AMERICAN CAR (CANADA) LIMITED
as Mortgagor

and

NATIONAL STEEL CAR CORPORATION LIMITED
as Mortgagee

EQUIPMENT MORTGAGE dated as of December 1, 1974, between NORTH AMERICAN CAR CORPORATION, a Delaware corporation, and NORTH AMERICAN CAR (CANADA), LTD. (hereinafter called the "Mortgagor") and NATIONAL STEEL CAR CORPORATION LIMITED (Hereinafter called the "Mortgagee").

W I T N E S S E T H:

WHEREAS, the Mortgagee has previously built and delivered to the Mortgagor the rail equipment listed in Exhibit A attached hereto ("Equipment"); and

WHEREAS, the Mortgagor is indebted to the Mortgagee in the amount of \$15,340,564.00 , representing the purchase price of the Equipment, which indebtedness is represented by a Note dated December 1, 1974 ("Note"); and

WHEREAS, the Mortgagor and the Mortgagee have entered into an agreement providing for the payment of the purchase price for such Equipment not later than December 24, 1974 ("Purchase Agreement"); and

WHEREAS, the Mortgagor deems it advisable for its corporate purposes to secure its obligation to pay the purchase price of the Equipment by making this Equipment Mortgage in favor of the Mortgagee; and

WHEREAS, the Mortgagor is the owner, free and clear of all liens or encumbrances (except such lien as may exist pursuant to the lease of such equipment to lessees of the Mortgagor) of the 700 railroad cars set forth and more particularly described in Exhibit A attached hereto ("Equipment"); and

WHEREAS, all things necessary have been done and performed to make this Equipment Mortgage valid and binding in accordance with its terms;

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements herein set forth, the parties do hereby agree as follows:

ARTICLE 1. Mortgage of Equipment. To secure the due payment of the principal and any interest on the Note and the due performance of the obligations of the Mortgagor under the Purchase Agreement, the Mortgagor hereby grants,

bargains, sells, cedes, transfers, assigns, mortgages, hypothecates, pledges, and charges as and by way of a fixed and specific mortgage hypothec, pledge and charge to, and in favor of the Mortgagee, its successors and assigns:

A. The Equipment;

B. All right, title and interest of the Mortgagor as Lessor in and to under or in respect of all rents and other moneys now due and payable or hereafter to become due and payable under each and every lease of the Equipment.

C. All sums that may at any time be deposited with or held by the Mortgagee in accordance with the provisions hereof.

To have and to hold the above property and assets all the rights hereby conferred unto the Mortgagee, its successors and assigns forever, subject to the terms and conditions herein mentioned and set forth.

All payments provided for in this Equipment Mortgage and the Purchase Agreement shall be made in such coin or currency of Canada as at the time of payment shall be legal tender for the payment of public and private debts.

ARTICLE 2. Title to the Equipment. The Mortgagee shall and hereby does retain the full security title to and property in the Equipment until the Note has been paid in full and shall have kept and performed all its agreements herein contained, and notwithstanding the delivery of the Equipment to and the possession and use thereof by the Mortgagor as provided in this Equipment Mortgage. Any and all additions to the Equipment and any and all parts installed on and additions and replacements made to any item of Equipment or the Equipment shall constitute accessions to the Equipment and shall be subject to all the terms and conditions of this Equipment Mortgage and included in the term "Equipment" as used in this Equipment Mortgage. Whenever reference herein is made to the title of Mortgagee or its Assignee to the Equipment, such reference shall be deemed to mean the security interest of Mortgagee or such Assignee in the Equipment under this Equipment Mortgage.

When and only when the Mortgagor shall have been paid in full the

indebtedness evidenced by the Note together with interest and all other payments as herein provided, and all the Mortgagor's obligations herein contained shall have been performed, absolute right to possession of, title to and property in the Equipment shall pass to and vest in the Mortgagor free and clear of the mortgage created hereby without further transfer or action on the part of the Mortgagee. However, the Mortgagee, if so requested by the Mortgagor at that time referred to in the preceding sentence will execute a bill or bills of sale for the Equipment releasing and transferring its security title thereto and property therein to the Mortgagor, or to its order, free of all liens, security interests and other encumbrances created or retained hereby, and deliver such bill or bills of sale to the Mortgagor at its address referred to in Article 19 hereof. The Mortgagor hereby waives and releases any and all rights, existing or that may be acquired, in or to the payment of any penalty, forfeit or damages for failure to execute and deliver such bill or bills of sale or instrument or instruments or to file any certificate of payment in compliance with any law or statute requiring the filing of the same except for failure to execute and deliver such bill or bills of sale or instrument or instruments or to file such certificate within a reasonable time after written demand by the Mortgagor.

ARTICLE 3. Taxes. The Mortgagor will pay promptly all impositions which may be imposed upon the Equipment for the use or operation thereof or upon the earnings arising therefrom and will keep at all times the said every part of the Equipment free and clear of all impositions which might in any way affect the title of the Mortgagee or result in a lien upon any part of the Equipment; provided, however, that the Mortgagor shall be under no obligation to pay any impositions where the nonpayment thereof does not, in the opinion of the Mortgagor, adversely affect the title, lien property or rights of the Mortgagee in or to the Equipment or otherwise under this Equipment Mortgage. If any impositions for which Mortgagor is liable as aforesaid shall have been charged or levied against the Mortgagee,

directly and paid by the Mortgagee, the Mortgagor shall reimburse the Mortgagee upon presentation of an invoice therefor, and any amounts so paid by the Mortgagee shall be secured by and under this Equipment Mortgage.

ARTICLE 4. Maintenance and Repair; Casualty Occurrences; Insurance.

The Mortgagor agrees that, at its own cost and expense, it will maintain and keep each Item of Equipment in good order and repair.

In the event that any Item of Equipment shall be or become worn-out, lost, stolen, destroyed, or, in the opinion of the Mortgagor or the Lessee, irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (such occurrences being herein called Casualty Occurrences), the Mortgagor shall, promptly after it shall have determined that such unit has suffered a Casualty Occurrence, cause the Mortgagee to be fully informed in regard thereto. On the interest payment date for payment of interest under the Note next following the giving of such notice the Mortgagor shall pay to the Mortgagee a sum equal to the Casualty Value (as hereinafter defined in this Article 4) of such Item of Equipment suffering a Casualty Occurrence as of the date of such payment and shall file, or cause to be filed, with the Mortgagee a certificate setting forth the Casualty Value of such Item of Equipment. Any money paid to the Mortgagee pursuant to this paragraph shall be applied to prepay the indebtedness evidenced by the Note.

Upon payment by the Mortgagor to the Mortgagee of the Casualty Value of any Item of Equipment having suffered a Casualty Occurrence, absolute right to the possession of, title to and property in such Item of Equipment shall pass to and vest in the Mortgagor, except that the Mortgagee, if requested by the Mortgagor will execute and deliver to the Mortgagor at the expense of the Mortgagor, an appropriate instrument confirming the release of the lien created hereby upon such Item of Equipment and such passage to the Mortgagor of all the Mortgagee's right, security, title and interest in such Item of Equipment, in recordable form, in order that the Mortgagor may make clear upon the public records the title of the Mortgagor to such Item of Equipment.

The Casualty Value of each Item of Equipment suffering a Casualty Occurrence shall be deemed to be the book value of the Item of Equipment as recorded on the books and records of the Mortgagor.

The Mortgagor will at all times prior to the payment of the full indebtedness evidenced by the Note, together with interest thereon and all other payments required hereby, at its own expense, cause to be carried and maintained, insurance in respect of the Equipment at the time subject hereto, in amounts and against risks customarily insured against by the Mortgagor on similar equipment owned by it.

It is further understood and agreed that any insurance proceeds received by the Mortgagee in respect of Items of Equipment suffering a Casualty Occurrence shall be deducted from the amounts payable by the Mortgagor to the Mortgagee in respect of Casualty Occurrences pursuant to the second paragraph of this Article 4. If the Mortgagee shall receive any other insurance proceeds from insurance carried in respect of such Items of Equipment suffering Casualty Occurrence after the Mortgagor shall have made payments pursuant to this Article 4 without deduction for such insurance proceeds, the Mortgagee shall pay such insurance proceeds to the Mortgagor. All proceeds of insurance received by the Mortgagee in respect of insurance carried on any Items of Equipment not suffering a Casualty Occurrence shall be paid to the Mortgagor upon proof satisfactory to the Mortgagee that any damage to such Item of Equipment in respect of which such proceeds were paid has been fully repaired.

ARTICLE 5. Reports and Inspections. On or before March 31 in each year, commencing with March 31, 1975, the Mortgagor shall cause to be furnished to the Mortgagee (a) its certified financial statements as of the preceding December 31 including a Balance Sheet and Income Statement, and (b) an accurate Statement (i) setting forth as at the preceding December 31 the amount and description of all Items of Equipment that have suffered a Casualty Occurrence during the preceding calendar year (or since the date of this Equipment Mortgage in the case of the first such statement) and such other information regarding the condition and state

of repair of the Equipment as the Mortgagee may reasonably request and (ii) stating that, in the case of all Items of Equipment repaired during the period covered by such statement, the markings required by Article 6 hereof have been preserved or replaced and (c) a statement by a responsible officer of Mortgagor stating that he has reviewed the terms of this Equipment Mortgage and that the terms hereof have been complied with and there exists no default hereunder. The Mortgagee shall have the right, by its agents, to inspect the Equipment and the records with respect thereto at such reasonable times as the Mortgagee may request during the term of this Equipment Mortgage.

ARTICLE 6. Marking of Equipment. The Mortgagor will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each Item of Equipment suitable for marking, in letters not less than one inch in height.

OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED UNDER

SECTION 20C OF THE INTERSTATE COMMERCE ACT.

And such other markings as the Mortgagee shall reasonably request in order to preserve and protect its security interest hereunder.

The Mortgagor will not permit any such Equipment to be placed in operation or exercise any control or dominion over the same until such name and words shall have been so marked on both sides thereof and will replace or will cause to be replaced promptly any such name and words which may be removed, defaced or destroyed.

The Mortgagor will not permit the identifying number of any Unit to be changed except in accordance with a statement of a new number or new numbers to be substituted therefor, which statement previously shall have been filed with the Mortgagee and filed, recorded and deposited by the Mortgagor in all public offices where this Equipment Mortgage shall have been filed, recorded or deposited.

ARTICLE 7. Compliance with Laws and Rules. During the term of this Equipment Mortgage, the Mortgagor will comply, and will cause every lessee or user of the Equipment to comply, in all respects (including without limitation, with respect to the use, maintenance and operation of the Equipment) with all laws of the jurisdictions in which its or such lessees' operations involving the Equipment may extend with the interchange rules of the Association of American Railroads and with all lawful rules of the Department of Transportation, the Interstate Commerce Commission, and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment, to the extent that such law and rules affect the title, operation or use of the Equipment, and in the event that such laws or rules require any alterations of any Item of Equipment or in the event that any equipment or appliance is required to be installed on any such Equipment in order to comply with such laws or rules, the Mortgagor will make such alterations, changes, replacements and additions at its own expense; provided, however, that the Mortgagor may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Mortgagee adversely affect the property or rights of the Mortgagee under this Equipment Mortgage.

ARTICLE 8. Possession and Use. The Mortgagor, so long as it shall not be in default under this Equipment Mortgage, shall be entitled to the possession of the Equipment and the use thereof, but only upon and subject to all the terms and conditions of this Equipment Mortgage.

The Mortgagor may lease the Equipment in its usual course of business for the use for which the Equipment was intended, but the rights of any Lessee, which shall be acknowledged in any future lease as subordinated and junior in rank to the rights, and shall be subject to the remedies, of the Mortgagee under this Equipment Mortgage and shall acknowledge and consent to the assignment of rentals to the Mortgagee hereunder.

ARTICLE 9. Prohibition Against Liens. The Mortgagor will pay or discharge any and all sums claimed by any party from, through or under the Mortgagor or its successors or assigns which, if unpaid, might become a lien, charge, security interest or other encumbrance upon or with respect to the Equipment, or any part thereof, or the interest of the Mortgagee therein, equal or superior to the Mortgagee's security title thereto or property therein, and will promptly discharge any such lien, charge, security interest or other encumbrance which arises; but the Mortgagor shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Mortgagee adversely affect the property or right of the Mortgagee in or to the Equipment or otherwise under this Equipment Mortgage. Any amounts paid by the Mortgagee in discharge of liens, charges or security interests upon the Equipment shall be secured by and under this Equipment Mortgage.

This covenant will not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent.

ARTICLE 10. Indemnities and Warranties. The Mortgagor agrees to indemnify, protect and hold harmless the Mortgagee from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including but not limited to counsel fees and expenses, penalties and interest, arising out of or as the result of the entering into or the performance of this Equipment Mortgage, the retention by the Mortgagee of security title to the Equipment, the use, operation, condition, purchase, delivery, rejection, storage or return or any of the Items of Equipment, any accident, in connection with the operation, use, condition, possession, storage

or return of any of the Items of Equipment resulting in damage to property or injury or death to any person during the period when security title thereto and Mortgagee's lien remain in the Mortgagee or the transfer of title to the Equipment by the Mortgagee pursuant to any of the provisions of this Equipment Mortgage. This covenant of indemnity shall continue in full force and effect notwithstanding the full payment of the indebtedness evidenced by the Note, and release and the conveyance of security title to the Equipment, as provided in Article 2 hereof, or the termination of this Equipment Mortgage in any manner whatsoever.

The Mortgagor will bear the responsibility for and risk of and shall not be released from its obligations hereunder in the event of any damage to or the destruction or loss of any Item of Equipment or of all the Equipment

The Mortgagor agrees to indemnify, protect and hold harmless the Mortgagee from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Mortgagee, its assigns or the users of the Equipment because of the use in or about the construction or operation of any of the Equipment of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right. Such covenants of indemnity shall continue in full force and effect notwithstanding the full payment of all sums due under the Equipment Mortgage, the satisfaction and discharge of the Equipment Mortgage or the termination of the Equipment Mortgage in any manner.

ARTICLE 11. Assignments. The Mortgagor will not (a) except as provided in Article 8 hereof, transfer the right to possession of any Item of Equipment or (b) sell, assign, transfer or otherwise dispose of any Item of Equipment or its rights under this Equipment Mortgage or encumber any Item or its rights therein.

All or any of the rights, benefits and advantages of the Mortgagee under this Equipment Mortgage, including the right to receive the payments herein provided to be made by and the benefits arising from the undertakings of the Mortgagor hereunder, may be assigned by the Mortgagee and reassigned by any assignee at any time or from time to time .

upon any such assignment, either the assignor or the assignee shall give written notice to the Mortgagor together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee, and such assignee shall, by virtue of such assignment, acquire all the assignor's right, title and interest in and to the Equipment and this Equipment Mortgage, or in and to a

portion thereof, as the case may be, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Mortgagor of the notification of any such assignment, all payments thereafter to be made by the Mortgagor under this Equipment Mortgage shall, to the extent so assigned, be made to the assignee in such manner as it may direct.

In the event of any such assignment or successive assignments by the Mortgagee of this Equipment Mortgage and security title to the Equipment and of the Mortgagee's rights hereunder with respect thereto, the Mortgagor will, whenever requested by the assignee, change the markings on the Equipment so as to indicate the title of such assignee to the Equipment, such markings to be specified by such assignee. The cost of such markings in the event of an assignment shall be borne by such assignee.

ARTICLE 12. No Set-off. The rights of the Mortgagee to payment of the entire unpaid indebtedness evidenced by the Note together with interest thereon, as well as any other rights hereunder shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever arising by reason of breach of any warranty with respect to the Equipment, any other indebtedness or liability at any time owing to the Mortgagor or any insolvency, bankruptcy, reorganization or similar proceedings by or against Mortgagor. Mortgagor hereby waives, to the extent permitted by applicable law, any and all rights which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Equipment Mortgage or the Equipment, except in accordance with the express terms hereof.

ARTICLE 13. Defaults. In the event that any one or more of the following events of default shall occur and be continuing to-wit:

(a) The Mortgagor shall fail to pay in full any sum payable by the Mortgagor when payment thereof shall be due under the Note or under the Purchase Agreement for 5 days; or

(b) The Mortgagor shall, for more than 30 days after the Mortgagee shall have demanded in writing performance thereof, fail or refuse to comply with any other covenant, agreement, term or provision of this Equipment Mortgage, on its part to be kept and performed or to make provision satisfactory to the Mortgagee for such compliance; or

(c) Any proceeding shall be commenced by or against the Mortgagor for any relief which includes, or might result in, any modification of the obligations of the Mortgagor hereunder under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions or extensions unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective within 30 days after such commencement (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), or

(d) The Mortgagor shall make or suffer any unauthorized sublease, assignment or transfer of any Item of Equipment or this Equipment Mortgage or any interest herein or any unauthorized transfer of the right to possession of any Item of Equipment.

then at any time after the occurrence of such an event of default the Mortgagee may, upon written notice to the Mortgagor and upon compliance with any legal requirements then in force and applicable to such action by the Mortgagee declare (hereinafter called a Declaration of Default) the entire unpaid indebtedness evidenced by the Note, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of such indebtedness and interest shall bear interest from the date of such Declaration of Default at the rate per annum specified in the Note as being applicable to amounts remaining unpaid after becoming due and payable, to the extent legally enforceable. Upon a Declaration of Default, the Mortgagee

shall be entitled to recover judgment for the entire unpaid balance of the indebtedness evidenced by the Note with interest as aforesaid, and to collect such judgment out of any property of the Mortgagor wherever situated. The Mortgagor shall promptly notify the Mortgagee of any event which has come to its attention which constitutes, or with the giving of notice and/or lapse of time would constitute, an event of default under this Equipment Mortgage.

The Mortgagee may, at its election, waive any such event of default and its consequences and rescind and annul any Declaration of Default by notice to the Mortgagor in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such event of default had occurred and no Declaration of Default had been made or given. Notwithstanding the provisions of this paragraph, it is expressly understood and agreed by the Mortgagor that time is of the essence of this Equipment Mortgage and that no such waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

ARTICLE 14. Remedies. At any time during the continuance of a Declaration of Default, the Mortgagee may, and upon such further notice, if any, as may be required for compliance with any mandatory legal requirements then in force and applicable to the action to be taken by the Mortgagee, take or cause to be taken, by its agent or agents, immediate possession of the Equipment, or any of it, without liability to return to the Mortgagor any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Article 14 expressly provided, and may remove the same from possession and use of the Mortgagor. The Mortgagee or any other person designated by the Mortgagee may enter upon the premises of the Mortgagor or any other premises where the Equipment may be located and detach and remove the Equipment and may use and employ in connection with such detachment

and removal any supplies, services aids and other facilities or means of the Mortgagor, with or without process of law.

In case the Mortgagee shall demand possession of the Equipment pursuant to this Equipment Mortgage and shall designate a reasonable point or points on the lines or premises of the Mortgagor or on any lines of Equipment or other premises approved by the Mortgagee for the delivery of the Equipment to the Mortgagee, the Mortgagor shall, at its own expense, forthwith and in the usual manner, cause the Equipment to be detached assembled and moved to such point or points on its lines and shall there deliver the Equipment or cause it to be delivered to the Mortgagee. At the option of the Mortgagee, the Mortgagee may keep the Equipment on any of the lines or premises of the Mortgagor or other premises approved by the Mortgagee until the Mortgagee shall have leased, sold or otherwise disposed of the same, and for such purpose the Mortgagor agrees to furnish, without charge for rent or storage, the necessary facilities at any point or points selected by the Mortgagee reasonably convenient to the Mortgagor.

This Agreement to deliver the Equipment as hereinbefore provided is of the essence of the agreement between the parties, and, upon application to any court having jurisdiction in the premises, the Mortgagee shall be entitled to a decree against the Mortgagor requiring specific performance hereof. The Mortgagor hereby expressly waives any and all claims against the Mortgagee and its agent or agents for damages of whatever nature in connection with any retaking of any Item of Equipment in any manner.

At any time during the continuance of a Declaration of Default, the Mortgagee (after retaking possession of the Equipment as hereinbefore in this Article 14 provided) may, at its election and upon such notice as is hereinafter set forth, retain the Equipment in satisfaction of the entire indebtedness evidenced by the Note and make such dispositions thereof as the Mortgagee shall deem fit.

Written notice of the Mortgagee's election to retain the Equipment shall be given the Mortgagor by telegram or First Class mail, addressed as provided in Article 19, hereof and to any other persons to whom the law may require notice, within 30 days after such Declaration of Default. In the event that the Mortgagee should elect to retain the Equipment and no objection is made thereto within the 30 day period described in the second proviso below, all the Mortgagor's rights in the Equipment shall thereupon terminate and all payments by the Mortgagor may be retained by the Mortgagee as compensation for the use of the Equipment; provided, however, that if the Mortgagor, before the expiration of the 30 day period described in the proviso below, should pay or cause to be paid to the Mortgagee the total unpaid balance of the indebtedness evidenced by the Note, together with interest thereon accrued and unpaid and all other payments due under this Equipment Mortgage, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Mortgagor; provided, however, that if the Mortgagor, or any other persons notified under the terms of this paragraph object in writing to the Mortgagee within 30 days from the receipt of notice of the Mortgagee's election to retain the Equipment, then the Mortgagee may not so retain the Equipment, but shall sell, lease or otherwise dispose of it or continue to hold it pending sale, lease or other disposition as hereinafter provided or as may otherwise be permitted by law. If the Mortgagee shall have given no notice to retain as hereinabove provided or notice of intention to dispose of the Equipment in any other manner, it shall be deemed to have elected to sell the Equipment in accordance with the provisions of this Article 14.

At any time during the continuance of a Declaration of Default, the Mortgagee, with or without retaking possession thereof, at its election and upon reasonable notice to the Mortgagor, and other persons to whom the law may require

notice of the time and place, may, sell the Equipment, or any part thereof, free from any and all claims of the Mortgagor, or any other party claiming from, through or under the Mortgagor at law or in equity, at public or private sale and with or without advertisement as the Mortgagee may determine; provided, however, that if, prior to such sale and prior to the making of a contract for such sale, the Mortgagor shall tender full payment of the total unpaid balance of the indebtedness evidenced by the Note, together with interest thereon accrued and unpaid and all other payments due under this Equipment Mortgage as well as expenses of the Mortgagee in retaking possession of, removing, storing, holding and preparing the Equipment, for and otherwise arranging for, the sale and the Mortgagee's reasonable attorneys' fees, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Mortgagor. The proceeds of such sale or other disposition, less the attorneys' fees and any other expenses incurred by the Mortgagee in retaking possession of, removing, storing, holding preparing for sale and selling or otherwise disposing of the Equipment, shall be, credited on the amount due to the Mortgagee under the provisions of this Equipment Mortgage.

Any sale hereunder may be held or conducted at Chicago, Illinois, or Toronto, Ontario, Canada, at such time or times as the Mortgagee may specify (unless the Mortgagee shall specify a different place or places, in which case the sale shall be held at such place or places as the Mortgagee may specify), in one lot and as an entirety or in separate lots and without the necessity or gathering at the place of sale the property to be sold, and in general in such manner as the Mortgagee may determine. The Mortgagor shall be given written notice of such sale not less than ten days prior thereto by telegram or registered mail addressed as provided in Article 19 hereof. If such sale shall be a private sale, it shall be subject to the rights of the Mortgagor to purchase or provide a purchaser, within ten days after notice of the proposed sale price, at the same price offered by the intended purchaser or a better price.

The Mortgagee may bid for and become the purchaser of the Equipment, or any of it, so offered for sale. In the event that the Mortgagee shall be the purchaser thereof, it shall not be accountable to the Mortgagor upon a subsequent disposition of the Equipment.

Each and every power and remedy hereby specifically given to the Mortgagee shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time simultaneously and as often and in such order as may be deemed expedient by the Mortgagee. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Mortgagee in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment hereunder or other indulgence duly granted to the Mortgagor shall not otherwise alter or affect the Mortgagee's rights or the Mortgagor's obligations hereunder. The Mortgagee's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Mortgagor's obligations or the Mortgagee's rights hereunder with respect to any subsequent payments or defaults therein.

If, after applying all sums of money realized by the Mortgagee under the remedies herein provided, there shall remain any amount due to it under the provisions of this Equipment Mortgage or the Note, the Mortgagor shall pay the amount of such deficiency to the Mortgagee upon demand, and, if the Mortgagor shall fail to pay such deficiency, the Mortgagee may bring suit therefor and shall be entitled to recover a judgment therefor against the Mortgagor.

If, after applying as aforesaid all sums realized by the Mortgagee, there shall remain a surplus in the possession of the Mortgagee, such surplus shall be paid to the Mortgagor.

The Mortgagor will pay all reasonable expenses, including attorneys' fees, incurred by the Mortgagee in enforcing its remedies under the terms of this Equipment Mortgage or preparing to enforce its remedies after a default hereunder. In the event that the Mortgagee shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Mortgagee may recover reasonable expenses, including reasonable attorneys' fees, and the amount thereof shall be included in such judgment.

The foregoing provisions of this Article 14, are subject in all respects to all mandatory legal requirements at the time in force and applicable thereto.

ARTICLE 15. Applicable Laws. Any provisions of this Equipment Mortgage prohibited by any applicable law or any jurisdiction (which is not overridden by applicable federal law) shall as to such jurisdiction be ineffective, without modifying the remaining provisions of this Equipment Mortgage. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby waived by the Mortgagor to the full extent permitted by law, it being the intention of the parties hereto that this Equipment Mortgage shall be deemed to be a Chattel Mortgage and enforced as such.

Except as otherwise provided in this Equipment Mortgage, the Mortgagor, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell or lease the Equipment, or any one or more Items of Equipment thereof, and any other requirements as to the time, place and terms of the sale or lease thereof, any other requirements with respect to the enforcement of the Mortgagee's rights under this Equipment Mortgage and any and all rights of redemption.

ARTICLE 16. Recording. The Mortgagor will cause this Equipment Mortgage, any assignments hereof and any amendments hereof and any amendments or supplements hereto or thereto to be filed and recorded in accordance with Article 9 of the Uniform Commercial Code and Section 20C of the Interstate Commerce Act, and the Mortgagor will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, deposit and record any and all further instruments required by law or reasonably requested by the Mortgagee for the purpose of proper protection, to the satisfaction of counsel for the Mortgagee, of its title to the Equipment and its rights under this Equipment Mortgage or for the purpose of carrying out the intention of this Equipment Mortgage; and the Mortgagor will promptly furnish to the Mortgagee certificates or other evidence of such filing, registering, depositing and recording satisfactory to the Mortgagee; provided, however, that the Mortgagor shall not be required to take any such action if (1) the Mortgagor deems such action unduly burdensome, and (2) after giving effect to the failure to take such action, the Mortgagor has taken all action required by law so as to protect the security interest of the Mortgagee to units of Equipment having a book value of not less than 90% of the aggregate fair value of all the Equipment.

ARTICLE 17. Payment of Expenses. The Mortgagor will pay for all the costs and expenses incident to this Equipment Mortgage including all fees and expenses of counsel for the Mortgagee, and all reasonable costs and expenses in connection with the perfection of Mortgagee's lien upon the Equipment.

ARTICLE 18. Article Headings; Effect and Modification of Agreement. All article headings are inserted for convenience only and shall not affect any construction or interpretation of this Equipment Mortgage.

This Equipment Mortgage exclusively and completely states the rights of the Mortgagee, the Mortgagor with respect to the Equipment and supersedes all other agreements, oral or written, with respect to the Equipment. No variation or modification of this Equipment Mortgage and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of the Mortgagee and the Mortgagor.

ARTICLE 19. Notice. Any notice hereunder to any of the parties designated below shall be deemed to be properly served if delivered or mailed to it at its chief place of business at the following addresses:

(a) to the Mortgagor at:

222 South Riverside Plaza
Chicago, Illinois 60606

(b) to the Mortgagee at:

P.O. Box 450, Hamilton, Ontario
Canada, L8N 3J4

(c) or at such other address as may have been furnished in writing by any party to the other parties to this Equipment Mortgage.

ARTICLE 20. Immunities; Satisfaction of Undertakings. No recourse shall be had in respect of any obligation due under this Equipment Mortgage or referred to herein, against any incorporator, stockholder, director or officer, past, present or future, of the Mortgagor or the Mortgagee, whether by virtue of any constitutional provision, statute or rule of law, or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provisions, statute or otherwise, of such incorporators, stockholders, directors or officers being forever released as a condition of and as consideration for the execution of this Equipment Mortgage.

ARTICLE 21. Law Governing. The terms of this Equipment Mortgage and all rights and obligations hereunder shall be governed by the laws of Illinois; provided, however, that the parties shall be entitled to all rights conferred by

the filing, recording or deposit hereto in the appropriate office(s) pursuant to Article 9 of the Uniform Commercial Code and Section 20C of the Interstate Commerce Act.

ARTICLE 22. Execution. This Equipment Mortgage may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart. Although this Equipment Mortgage is dated as of September 15, 1974, for convenience, the actual date or dates of execution hereby by the parties hereto is or are, respectively, the date or dates stated in the acknowledgements hereto annexed.

ATTEST:

John E. Flynn
Secretary

NORTH AMERICAN CAR CORPORATION

BY

W. H. [Signature]
Vice President

ATTEST:

John E. Flynn
Secretary

NORTH AMERICAN CAR (CANADA) LIMITED

BY

W. H. [Signature]
Treasurer

ATTEST

By

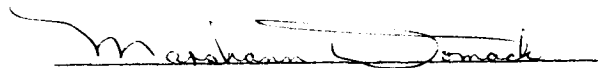
[Signature]
Secretary

By

J. F. [Signature]
President

State of Illinois SS
County of Cook

On this 9th day of December, 1974, before me personally appeared Martin A. Lynch, to me personally known, who, being by me duly sworn, says that he is a Vice President of North American Car Corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


NOTARY PUBLIC

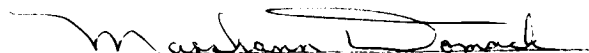
(Notarial Seal)

My Commission expires Notary Public State of Illinois
My Commission Expires December 18, 1976

State of Illinois SS
County of Cook

On this 9th day of December, 1974, before me personally appeared Martin A. Lynch, to me personally known, who, being by me duly sworn, says that he is a Treasurer of North American Car (Canada) Limited, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation


(Notarial Seal)


NOTARY PUBLIC

My Commission expires Notary Public State of Illinois
My Commission Expires December 18, 1976

Province of Ontario
Canada

On this 9th day of December, 1974, before me personally appeared
T.F. RAHILLY JR., to me personally known, who, being by me duly sworn,
says that he is the President of National Steel Car Corporation Limited, that
one of the seals affixed to the foregoing instrument is the corporate seal of
said corporation, that said instrument was signed and sealed on behalf of said
corporation by authority of its Board of Directors, and he acknowledged that
the execution of the foregoing instrument was the free act and deed of said
corporation.



NOTARY PUBLIC

(Notarial Seal)

My Commission is unlimited.

EXHIBIT A

<u>No. of Cars</u>	<u>Description</u>	<u>Builder</u>	<u>Amount</u>
500	Class LO, 100 ton, 3800 cubic foot covered hopper cars Serial Numbers 38200 to 38699	National Steel Car Corporation	Cnd.. \$11,874,855.89 U.S. \$12,035,166.44
500			Cnd. \$11,874,855.89 U.S. \$12,035,166.44
200	Class LO, 100 ton, 3800 cubic foot covered hopper cars Serial Numbers 44600 to 44799	National Steel Car Corporation	Cnd. \$ 3,465,709.00
200			Cnd. \$ 3,465,709.00